THE UNIVERSITY
OF MICHIGAN
PERIODICAL
READING ROOM

NOVEMBER 9, 1964

GREAT BRITAIN'S FARM TRADE OUTLOOK FOR 1965

INDIA'S EDIBLE OIL SHORTAGE

OUR SOARING ANIMAL PRODUCT EXPORTS

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

NOVEMBER 9, 1964

VOL II • NUMBER 45

Cutting up U.S. poultry for sale in a large Japanese department store. Exports of U.S. poultry as well as other animal products reached high levels in fiscal year 1964. See story on page 6.

Contents

3 Great Britain's Farm Trade Outlook for 1965

4 Indonesia Having Trouble Maintaining Its Copra Exports

6 U.S. Exports of Animal Products Soar to New Levels

7 British Honduras Now Expanding Its Citrus Industry

8 Indians Badly Hit by Peak Prices for Edible Oils

9-11 Market Development

Paris Meeting Called To Make Plans for New World Cotton Promotion by Producers, Users
USDA Honors Norbest Turkey Growers' Export Drive at Agricultural Co-op Month Observance
International Food Exposition Opens in Paris
U.K. Fruit Sellers Brought to U.S. for National Apple Week

12 World Crops and Markets

Cotton
15 U.S. Exports Less Cotton
15 Mexico Increases Cotton Export Tax

Dairy and Poultry Products
14 Australia's Canned Milk Exports

Fats, Oilseeds, and Oils
13 Italy's Oilseed Imports Up, Oils Down
14 Dutch Oilseed Output, Imports Rise

Fruits, Vegetables, and Nuts
15 Small Italian Walnut Crop

Livestock and Meat Products
12 U.K. Imports More Lard
12 EEC Subsidy on French Beef to Germany
12 Australian Meat Shipments to the U.S.
12 Honduras Prohibits Cattle Exports
13 Israel To Import Slaughter Cattle
13 New Zealand Meat Shipments to the U.S.

Sugar, Fibers, and Tropical Products
15 Yugoslavia Ups Support Prices for Hemp
16 Peru's Molasses Exports Up

Tobacco
13 Congo's Cigarette Output Down
13 Dutch Cigarette Sales Drop Sharply
13 German Cigarette Sales Up

Orville L. Freeman, Secretary of Agriculture

Dorothy H. Jacobson, Assistant Secretary for International Affairs

Raymond A. Ioanes, Administrator, Foreign Agricultural Service

Editor: Alice Fray Nelson **Associate Editor:** Ruth A. Oviatt

Advisory Board:

W. A. Minor, Chairman; Wilhelm Anderson, Burton A. Baker, Douglas M. Crawford, John H. Dean, F. Leslie Erhardt, David L. Hume, Robert O. Link, Kenneth W. Olson, Donald M. Rubel.

This magazine is published as a public service, and its content may be reprinted freely.

Foreign Agriculture is published weekly by the Foreign Agricultural Service, United States Department of Agriculture, Washington, D. C. 20250. Use of funds for printing this publication has been approved by the Director of the Bureau of the Budget (December 22, 1962). Yearly subscription rate is $7.00, domestic, $9.25 foreign; single copies are 20 cents. Orders should be sent to the Superintendent of Documents, Government Printing Office, Washington, D. C. 20401.

DEPOSITED BY THE
UNITED STATES OF AMERICA

Great Britain's Farm Trade Outlook for 1965

Neither the change of government nor the new import tax is likely to affect it, but this year's bountiful harvest may cut back imports.

By DAVID W. RIGGS
Foreign Regional Analysis Division
Economic Research Service

Within the past month two events have taken place in Great Britain which have raised questions as to the immediate future of American agriculture's $450-million market in that country. The first of these was the change of government which took place on October 15 when the Labor Party supplanted the Conservatives who had been in power for 13 years. The second was the announcement on October 26 that the new government would impose a surcharge of 15 percent on the c.i.f. value of certain imports into the United Kingdom.

Important as these events are to the British, neither of them seem to portend immediate consequences for U.S. farm exports to Britain.

The agricultural policy of the United Kingdom will probably remain substantially unchanged under the Labor Party. During the last Parliament both Labor and Conservative Parties agreed in broad outline on farm measures, and, as a result, the 1964 Agriculture and Horticulture Act passed the House of Commons without difficulty. This act will form the basis for any future government actions, one of which may be the setting up of commodity commissions for grains, meat, and horticultural products. These commissions would try to insure an even flow of the respective commodities into the market, thereby avoiding the abnormally low prices occasioned by heavy arrivals on the market.

As for the new government's 15-percent surcharge on imports, this action was designed as a temporary measure to relieve an estimated end-of-year $2.26-billion balance of payments deficit. It does not affect the imports of food, unmanufactured tobacco, or basic raw materials. It does, however, affect manufactured tobacco products, of which the United Kingdom imported 617,000 pounds last year, at a c.i.f. value of $4.36 million. Imports from the United States accounted for 66 percent of the cigarette imports and under 4 percent of the cigars.

Good weather, good harvest

If anything is to limit U.S. farm shipments to the United Kingdom this coming year, it is more likely to be the fine, and for some crops, record harvest that British farmers reaped this past summer under almost ideal weather conditions. The grain crop got off to a good start as the result of a mild winter and abundant moisture during the spring and early summer. Warm dry weather from mid-July onward meant that the grain harvest was begun early and completed easily and quickly, with a minimum of drying necessary.

With the best September weather since 1911—that is, the warmest with the least rain—pastures have been dry, but little difficulty is anticipated because of the plentiful hay and feed grain supplies. The dry, late-season weather also retarded the growth of potatoes and fodder roots, though the outlook for sugarbeets is favorable.

For the five crops—wheat, barley, oats, potatoes, and sugarbeets—the production trend is upward all along the line, as the following table shows:

	1962	1963	1964
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*
Wheat	3,974	3,046	3,572
Barley	5,866	6,705	7,299
Oats	1,775	1,461	1,407
Potatoes	6,765	6,682	6,757
Sugarbeets	5,398	5,338	6,096

Farmers who depend on livestock for their incomes also had a generally good year, and this situation is expected to continue. The sole exception is the egg producer. Overproduction depressed egg market prices, and in spite of a more stringent operation of the government's deficiency payments for eggs during 1964-65, this sector of British agriculture will call for an increase in government outlay. All other programs will cost less in government support than in 1963-64.

Trade prospects for 1965

Britain's imports of grains, pulses, and certain oilseeds in fiscal 1964 were particularly large, partly because of Communist Bloc purchases on the international market which caused importers to contract forward for substantial quantities from the United States, for fear of a shipping-space shortage. Such a situation is unlikely to influence 1964-65 buying.

Furthermore, the large domestic grain crop this year should result in lower import requirements. The wheat crop is excellent, with the milling quality reasonably good, so that British millers have indicated that they expect to take at least 1.4 million tons of the domestic crop.

Barley imports may not fall below last year's level in spite of the bumper crop. The quality of the grain is said to be a little disappointing, and the quantity suitable for malting purposes—particularly important for the export trade—may be no more than average. The heavy crop may well affect the demand for other imported feed grains, however.

The demand for rice, all of which must be imported, depends largely on potato supplies and the weather. Unless a mild winter keeps storage losses of potatoes low a possible tightness in supply next spring is indicated. And when potatoes are scarce and expensive more rice is used.

There is little prospect of any easing of the butter market for some time. Fluid milk and cream consumption is increasing fast enough to make inroads into the supply of manufacturing milk, so that domestic butter production is not likely to recover quickly. When new quotas are

(Continued on page 16)

Indonesian splitting husked coconuts to drain out the milk and start the drying process. Production of copra—long a major industry in Indonesia—has been virtually static over the last few years.

Indonesia Having Trouble Maintaining Its Copra Exports

By CARL O. WINBERG
Former U.S. Agricultural Attaché
Djakarta, Indonesia

The islands now comprising Indonesia have for many years been important producers, consumers, and exporters of copra. In the copra export trade, Indonesia is surpassed only by the Philippines; yet today its shipments are on the down trend and could very well continue in that direction.

Last year registered shipments of copra from Indonesia were only about a fifth as large as the 550,000 shipped out in 1938. Rising domestic consumption has contributed to this decline, but the trouble goes much deeper.

The difficulty may have begun in the 1940's when the country was still the Netherlands Indies and struggling for independence from the Dutch. Much of the rebel activity during this time was centered in the copra-producing areas.

But the real decline set in after the Dutch had left. Without the technical know-how provided by the Dutch, the Indonesians failed to maintain their coconut groves. Roads, too, were left to deteriorate, and the present-day lack of good roads and lack of adequate inter- and intra-island shipping hindered the export of copra.

The outlook for the future is almost as bleak. Lacking sufficient funds, the government cannot act to materially increase production. In fact, government price-fixing has discouraged increases in production and resulted in a large contraband trade in copra. Added to this is the loss of a major market—Singapore-Penang—because of the cessation of legal trade with Malaysia.

Output practically static

The copra industry, which is dominated largely by small growers, is much the same as before World War II. Area, at about 4 million acres, has not increased appreciably from the prewar level, nor have yields. In fact, a large number of coconut trees in Indonesia are overage and their yields are declining. Production, unofficially estimated at about 1.4 million metric tons for 1964 (official estimate is 1 to 1.2 million), is only slightly above the 1.2 million of a decade ago. Accounting for most of the output are the islands of Java-Madura, with about 275,000 metric tons; Sumatra, 260,000; and Sulawesi, 335,000.

A limiting factor in the export of copra is the large domestic demand for coconut oil—traditionally used in the preparation of food. Generally, with an increase in purchasing power there is a similar rise in domestic consumption of copra.

Currently, however, consumption is down because of inflation, and even heavily populated Java—often short on coconut oil—is apparently receiving sufficient quantities to meet the limited demand.

Foreign shipments

The main sources of Indonesian copra exports are Sulawesi, with about 130,000 metric tons currently available for shipment, and Sumatra, with 100,000. Other smaller exporters are Malukus, West Kalimantan, and East Nusa Teggara Islands.

While Mainland China, Japan, the USSR, West Germany, and the East European countries all import copra from Indonesia, Singapore-Penang had been the major market until Indonesia's confrontation toward Malaysia.

The confrontation has not only cut off this prime buyer of Indonesian copra but has also greatly disrupted transportation of the country's copra to market.

In the past, many small ships from Singapore plied the smaller Indonesian ports, especially in the Riaus, Sumatra, Kalimantan, and Sulawesi, to purchase copra. Their activities have been largely curtailed, and as a result moving copra from the smaller ports to the deep water ports for export has become increasing difficult. Indications are that transportation will continue to be a problem throughout this year.

The Philippines has been suggested as an alternative market to Singapore-Penang but it is doubtful that any significant quantities, at least of legal exports, will be shipped there. The Philippines is struggling to maintain export markets for its own production.

Another, though less recent, problem is the large amount

Clockwise, Indonesian coconut grove; prepared copra ready for bagging; and husking the coconuts. The all-purpose coconut provides food for many of the Indonesians as well as yielding copra—a valuable foreign exchange earner.

of copra shipped out illegally. The government's control over maximum prices, as well as destinations, export licenses, and various certifications, has made contraband exports more profitable than registered ones.

It is probable that in some years unregistered exports have been about equal to registered ones. Such was likely the case last year, when registered exports amounted to only about 100,000 metric tons. The government's goal is to increase the legal shipments to 170,000 tons in 1964.

Marketing cooperatives

To accomplish its goal of expanding legal copra exports, as well as to find outlets to replace Singapore-Penang, the government has been attempting to channel all trade into government-sponsored organizations.

The inter-island shipment and export of copra has now been officially given to the Association of Indonesian Copra Cooperatives (the IKKI). In the first part of this year, the new organization arranged government-to-government contracts for copra exports to Japan (one of the sales completed in May 1964 was at US$179 per metric ton, c.i.f. Japan), Mainland China, and the Netherlands.

The IKKI also fixes the domestic price for copra throughout Indonesia. For the first 7 months of 1964, the price was rupiah 5,500 per quintal, exclusive of packing.

In certain areas of Indonesia, copra can be sold only to cooperatives who, in turn, handle the storage and distribution, whether for export, inter-island shipment, or resale in an Indonesian market. Crushers must therefore purchase only from the cooperatives.

The IKKI may permit the government state trading companies and private exporters to share in exports. This year's exports are to be divided so that state trading companies get 40 percent, private exporters 20 percent, and the IKKI the balance.

Whether this program can be realized will depend on the governors, military and civilian, of the main copra-producing areas, who have some degree of autonomy and utilize copra exports to earn much-needed revenue.

Future depends on country's economy

While the potential for expansion of Indonesia's copra industry is great, little action has been taken in this direction. The government annually makes a limited amount of money available for expanding and rejuvenating coconut cultivation. These funds have not been sufficient, especially in view of the country's inflation, to significantly increase production, or to replant fast enough to counter declining production of trees that are past their bearing age. And unless Indonesia receives heavy outside assistance, no increase in the funds will be possible.

Indonesia needs to change its pricing policy to permit freer sales of copra, but such a change would be counter to the government's policy of socializing agricultural production and controlling the markets by use of state trading companies. Better intra-island and inter-island transportation would help the collection and export of copra in Indonesia, but there is little likelihood of this occuring in the near future. Copra production and exports for the next few years, therefore, are expected to maintain about the same level as in the past 3 or 4 years, or even to decline slightly. In any case, they are not likely to rise.

U.S. Exports of Animal Products Soar to New Levels

Feed grains and soybeans are setting export records too, as growing prosperity abroad is stepping up demand for more meat, milk, and eggs.

All signs point to a bright future for U.S. exports of high-protein animal products and for the agricultural raw materials to produce these foods for the world's rapidly growing and increasingly prosperous society.

Incomes are on the rise in leading foreign markets, and people are spending much of this new wealth to upgrade the quality of their diets. For example, in Japan, the largest foreign market for American farm products, people are eating more meat, milk, and eggs every year. Japanese consumption of high-protein animal foods is expected to increase dramatically during the next decade. In Western Europe, another major dollar market for U.S. farm products, the trend is the same.

In these two large markets, and in many others around the world, U.S. exports of animal products and animal feeds are expected to receive a big boost from growing prosperity abroad, competitiveness of U.S. farm products, and expanded export promotion programs. This trio of forces has already produced new export records for many of these products.

Animal products set records

Last fiscal year, new export peaks were reached by many U.S. animal products including nonfat dry milk, hides and skins, butter, and variety meats. Poultry exports were the second highest ever recorded. Foreign sales of animal products in fiscal 1964 attained a new high of $772 million—up $167 million from the previous fiscal year.

The greatest gain in animal products exports in fiscal 1964 was in fats, oils, and greases. Exports of these products reached $216 million—up 46 percent over the previous fiscal year. However, with the exception of hides and skins, every single category of animal products showed substantial export gains.

Exports of live animals were up 42 percent; dairy products, 32 percent; hides and skins, 4 percent; meats and meat products, 36 percent; and poultry products, 12 percent. Overall export gain of animal products in fiscal 1964 was 28 percent.

Fats, oils, and greases not only showed the greatest percentage gain in fiscal 1964, they also became the leading dollar earner among animal product exports. Dairy products were a close second at $203 million. Other major dollar earners included meats and meat products, $118 million; hides and skins, $82 million; poultry products, $78 million; and live animals, $34 million.

As the table illustrates, the substantial gain in animal product exports in fiscal 1964 was accounted for largely by increased shipments of dairy products, animal fats, and red meats. Much of the increase in dairy product exports came from greater sales of butter from Commodity Credit Corporation stocks to Western Europe. Also, larger exports of nonfat dry milk, butter, and butteroil under the Food for Peace program contributed to the more than one-third increase in dairy product exports in fiscal 1964.

Exports of meat and meat products reached 425 million pounds as compared with 302 million a year earlier. Increased exports of fresh pork to Japan, Western Europe, and Canada accounted for a large share of this increase. Pork exports advanced to an estimated 160 million pounds in fiscal 1964, up 58 million pounds from previous fiscal year levels.

Gains in exports of animal fats were accounted for by large increases of lard and inedible tallow and greases. Lard exports increased from $41 million to $62 million. Most of this additional lard went to the United Kingdom, traditional buyer of about 80 percent of U.S. lard exports. The gain in tallow exports represents larger dollar sales to Japan, Italy, Netherlands, UAR (Egypt), Poland, and Spain.

A strong market development program for poultry products is credited with moderate gains in exports of poultry products, despite sales losses to Western Europe because of a system of variable levies imposed by the European Economic Community. Increased sales to Japan and other markets more than offset losses in West European sales, and the overall gain in exports of poultry meat was about 34 million pounds. Exports of poultry meat ($63.5 million) were the second highest on record, being surpassed only by exports of $83.9 million in fiscal 1962.

U.S. EXPORTS OF ANIMAL PRODUCTS 1962-63 AND 1963-64

Commodity	1962-63	1963-64 [1]	Change
	Mil. dol.	*Mil. dol.*	*Percent*
Dairy products [2]	154	203	+32
Fats, oils, and greases	148	216	+46
Hides and skins	79	82	+ 4
Meats and meat products	87	118	+36
Poultry products	70	78	+12
Other	67	75	+12
Total animals & animal products:	605	772	+28

[1] Preliminary. [2] Excludes Title III, P.L. 480 donations of butter and ghee which are included in "Other" exports of animals and animal products.

Feed grains soar too

U.S. feed grain exports reached a record 16.1 million tons in fiscal 1964—more than half of all world trade in corn, grain sorghums, oats, and barley. Dollar value of these record-level exports was $850 million, up 5 percent from the previous record set just 1 year ago.

Department officials credit an active overseas market promotion program for much of the success in establishing new export records for feed grains in major dollar markets. Since initiation of this program, exports have almost tripled. The most noticeable example of success in promoting foreign sales of U.S. feed grains is Japan. When promotion began there in 1959-60, U.S. feed grain sales amounted to only a quarter-million tons a year. Last year, 1 out of every 7 bushels of feed grain exports went to Japan—about 2.5 million tons altogether.

Results in Spain and Italy have been almost as dramatic.

(Continued on page 16)

British Honduras Now Expanding Its Citrus Industry

In October 1961, Hurricane Hattie swept across the Crown Colony of British Honduras damaging many of its citrus trees and causing production to drop drastically. Approximately 60 percent of the colony's grapefruit crop was lost, while the oranges harvested totaled only 44,000 boxes compared with 718,000 boxes the previous year. For this small Caribbean country—it's about the size of Vermont—this was a severe economic blow as citrus normally accounts for 25 to 30 percent of its foreign exchange earnings.

Today, some 3 years later, the industry not only has completely recovered (a later evaluation showed that the root systems of the trees were not permanently damaged), but has started to expand. In 1963-64, orange production reached an alltime high of 800,000 boxes, while grapefruit, at 268,000 boxes, exceeded the pre-hurricane level.

Most of the country's citrus is grown in the Stann Creek district about 40 miles south of the capital of Belize, and in the nearby Cayo and Toledo areas. About two-thirds of the orange plantings are concentrated in the hands of a few large growers, the remaining one-third distributed among growers with holdings ranging from 2 to 15 acres.

It is in the Stann Creek and Cayo areas that considerable expansion has taken place—from 4,000 acres in oranges in 1962 to 6,200 acres by January 1964. Estimates indicate that about 1,000 acres of new orange groves will be planted here annually during the next 4 to 5 years; however, little or no expansion is taking place for grapefruit, nor is any expected in the near future.

Stimulating this expansion was the Florida citrus freeze in 1962-63. Up until then Honduras had only one citrus-processing plant, which manufactured mainly hot-pack concentrates; but when the Florida crop declined, a Canadian firm, which had purchased 9,000 acres of land in the Stann Creek area, hurried to complete its frozen concentrate plant. This was done by April 1963, and in 2 months of that year 211,000 boxes of oranges were processed into frozen concentrate, most of which was shipped to Canada via the firm's factory in Plant City, Florida.

While this has proved profitable to the country's citrus growers, two factors may limit further expansion. First, although both climate and soil favor citrus growing in the Stann Creek area, irrigation will probably be necessary for sustained commercial production. And second, there is the matter of export markets.

Until 1963, virtually all of the country's processed citrus went to the United Kingdom, while Mexico bought small quantities of fresh fruit. Now British Honduras faces the problem of expanding its markets in the United Kingdom, Canada, and perhaps other countries. With the recent opening of the British market to U.S. frozen concentrates, the demand for hot-pack concentrates may decline and this might lead to the development of serious competition with the U.S. frozen product.

Right top, picker examines grapefruit as he packs them in field crates, and below, view of Stann Creek citrus groves, country's biggest growing area with plant and houses for workers in background.

Citrus is transferred from the field crates to tractor trailers for delivery to nearby processing plant.

Indians Badly Hit by Peak Prices for Edible Oils

Prices of oilseeds and vegetable oils in India have risen rapidly and substantially since January of this year, for although production in 1963-64 changed little from that of the previous season, a larger money supply in the hands of the public and a general shortage of food, particularly wheat, contributed to strong demand, hoarding, widespread speculation, and inflation. As a result, serious shortages now prevail in India with regard to edible oils.

After declining in 1962 and 1963, prices for oils and oilseeds began rising in January of 1964 and attained peak levels in September. By then prices for edible oils were 33 to 63 percent higher in the Bombay wholesale market than a year earlier, and peanut oil was the equivalent of 29.5 cents a pound. With vegetable oils a key item in the diet of vegetarian India, the effect on the cost of living of the average worker has been drastic.

With a production gain in prospect for 1964-65, it is hoped that the situation may ease somewhat now that the new peanut crop has begun to move in bulk. Also, it may be influenced by the import of 75,000 tons of vegetable oils from the United States contracted for in late September under P.L. 480, and by whether the prohibition on the export of edible oils is maintained.

India's leading oilseeds

The five principal oilseeds produced in India are considered to be peanuts, sesame, rape and mustard, flaxseed (linseed), and castorseed. Peanuts and sesame are harvested and moved to market beginning in October, and the other three, the following February. In addition, cottonseed and coconuts are important to the Indian fats and oils economy and, in fact, contribute a larger tonnage than some of the leading oilseeds. The marketing year for cottonseed is October-September, and for coconuts it is the calendar year.

According to recent official estimates, the acreage planted to the five major oilseeds rose from 25.1 million acres in 1961-62 to 36.6 million in 1962-63, and then declined to 36.0 million in 1963-64. The drop in acreage this past year was caused by substantial reductions in the acreages of peanuts, sesame, rape and mustardseed, which were reportedly the result of insufficient and untimely rains at sowing season.

Production of the five major oilseeds in 1963-64 was 7,096,000 metric tons compared to a revised estimate of 7,113,000 metric tons for the previous year. There was a record peanut crop of 5,291,000 tons (in shell), up 47,000 tons, but two other major edible oilseed crops were smaller —sesame by about 12 percent and rape and mustard by as much as 30 percent. Peanuts are by far the largest oilseed crop in India, constituting about 70 percent of the total, so that the record crop offset the shortfall in the other two. However, India is still far short of the goal for its Third Five Year Plan of 9.96 million metric tons of edible oils in 1965-66.

Cottonseed, coconuts, animal fats

Cottonseed production in 1963-64 was around 1.9 million metric tons, up 44,000 tons from the year before. It may rise again this season. However, only about one-fifth of the crop is crushed for oil, the rest being fed to cattle as whole seed. This means that oil production hovers around 50,000 metric tons a year, which is far short of the Third Plan production target of 100,000 metric tons in 1965-66.

Indian coconut output in calendar year 1964 (in terms of copra) is estimated at 700,000 metric tons, as against 650,000 in 1963, and was achieved on about the same acreage—1.7 million acres. To meet its Third Plan target of 779,000 metric tons, India proposes to bring increased acreage into production and to help farmers with improved seedlings at cheaper prices.

While most countries count heavily on their animal fats and oils, these are of little significance to India, largely because of the religious sentiments of the majority of the population. No data are available on current production, but 5 years ago it was slightly over 31,000 metric tons annually, of which about 56 percent was utilized for human consumption. Imports of animal fats are limited to small quantities of tallow, for industrial purposes mostly, and to marine oils for medicinal use.

Edible oil exports banned

With levels of internal prices higher than those of world prices, the Indian Government has followed an export policy, under which oils and cake are exported at a loss for the privilege of importing coconut oil and copra. In 1963 its export earnings from oilseeds, oils, and oilcake reached $118.1 million, setting an alltime record.

Earnings continued to rise through June of this year, showing an increase of about 7 percent over the same period in 1963. Then in July the government banned exports of all edible oils as an anti-inflationary measure, and also to conserve supplies for domestic use since some of the Indian States were suffering from serious shortages. Even peanut exports are not allowed, although there has been no official announcement to the effect.

Outlook more promising

The high prices of vegetable oilseeds and their products since January are reported to have induced farmers to plant larger acreages to oilseed crops this year. Weather so far has brightened crop prospects, and indications point to larger crops than last year. Barring any weather mishaps during the coming winter months, expectations are that the oilseed crops this season will be generally larger by about 5 to 10 percent than they were in 1963-64.

As for the export ban, it is difficult to forecast what the government policy will be during the coming months, but at this stage it can safely be said that total exports of vegetable oilseeds and their products this year will be smaller, though oilcake exports may be larger.

Considering crop and export prospects, the tendency in the market is for a decline from present high prices in the months ahead. Prices for distant deliveries of peanuts and peanut oil have already exhibited a bearish trend compared with existing price levels. However, any downward pressure from increased supplies could be eased if the Indian Government changes its policy and allows liberal exports of seeds and edible oils.

—Robert B. Evans
U.S. Agricultural Officer, Bombay

Paris Meeting Called To Make Plans for New World Cotton Promotion by Producers, Users

Representatives of cotton producing and cotton importing countries will convene in Paris November 23 to consider proposals calling for a broad-based program to promote cotton consumption internationally.

Attending the special 5-day meeting will be government officials and cotton industry leaders of some 40 countries who see promotion as the only way to solve the twin problems of mounting world cotton stocks and dwindling world markets. The U.S. delegation will be headed by Robert C. Sherman, Director of the FAS Cotton Division.

The meeting is being held under the auspices of the International Cotton Advisory Committee, an intergovernmental organization that meets annually to discuss matters of importance to the production, trade, and consumption of cotton. The ICAC has gone on record as favoring international promotion by overseas producers and importers—pointing out that if a program is not begun soon, cotton may never regain the ground lost to manmade fibers in world markets.

Framing a workable program

Chief task confronting the delegates in Paris will be to develop a workable program, including the best way to collect and distribute funds for cotton promotion, and what forms promotion should take.

Early discussion will center on one plan which evolved from the 23rd Plenary meeting of ICAC which was later endorsed by Cotton Council International and the International Federation of Cotton and Allied Textile Industries.

The proposal is that each cotton exporting country be asked to contribute to the promotion program a set percentage of the value of its cotton exports—possibly on the order of 0.7 percent. Individual countries would determine whether this "minimum export levy" is to be collected from producers, shippers, or the governments themselves. Whoever pays the levy may add that amount to his selling price, so that eventually the levy may become a part of cotton's export price. U.S. contributions would probably come from Congressional appropriations, since the Constitution prohibits the levying of export taxes.

This method of fund-raising is the alternative to a previous proposal before the ICAC which suggested that mill owners in importing countries deduct for international promotion a fixed percentage from each invoice covering cotton purchased. Several importing countries, however, had objected to this so-called Rotterdam Plan.

Allocation of promotion funds

As to fund distribution, it is being suggested that funds from the export levy be turned over to a Central Fund managed by a board that represents equally both producing and importing countries. Any importing or consuming country wishing to participate in the promotion under the aegis of an appropriate national cotton institute could apply to the Central Fund's board for an annual allocation. Funds would be allocated on the basis of a country's present consumption of cotton textiles, its potential for expanded consumption, and the competition offered by manmade fibers. In addition, some promotional projects would be carried out on behalf of all cotton consuming countries with money from the Central Fund.

Whether the Paris gathering accepts this proposal or drafts a new one, it is imperative that the world's exporting and importing countries take immediate steps toward correcting the present critical imbalance in the supply and demand of cotton.

Cotton output vs. consumption

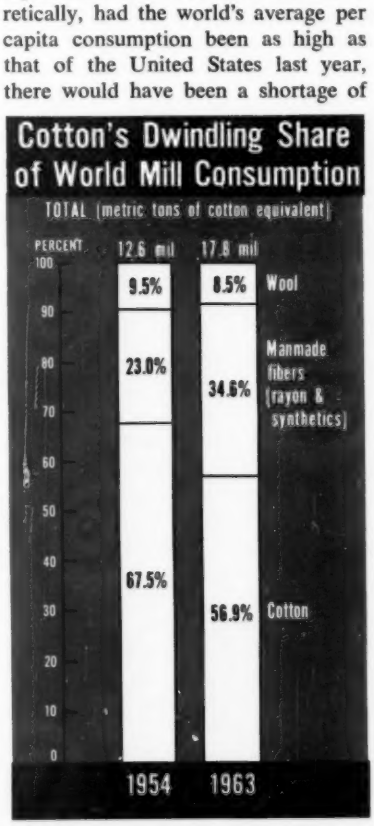
While cotton production continues to mount—50 million bales in 1963-64 against 41 million 10 years ago—consumption in recent years has failed to keep pace. Between fiscal 1960 and 1963, world consumption declined steadily from 48 million bales to 45.4 million. In fiscal 1964 consumption climbed back to nearly 48 million bales, but this was still 2 million bales below that year's production.

The imbalance in the last 2 years has added around 5 million bales to already burdensome stocks in producing countries. This amount brings total stocks on hand to roughly 25 million bales, a few thousand short of the postwar high reached in 1956-57.

At the recent Plenary Meeting of the ICAC, the U.S. delegate emphasized that while much of the stock buildup has occurred in this country, the United States has worked to improve the balance in supply and demand by drastically reducing its acreage during the past decade.

Economists, however, say the real problem is underconsumption, rather than overproduction. With an expanding world population and generally rising incomes, the present imbalance between production and consumption should not exist.

Per capita consumption in less developed areas (Africa, for example) is only one-third of the world average. The United States, on the other hand, consumes three times more cotton per capita than the rest of the world. Theoretically, had the world's average per capita consumption been as high as that of the United States last year, there would have been a shortage of



88 million bales instead of a 2-million-bale surplus.

Followers of the world cotton problem realize, of course, that consumption in less developed areas, where underconsumption is concentrated, cannot be made to increase overnight. But in the industrialized countries, where purchasing power is stronger, there is a big immediate potential for expanded utilization. To capitalize on this potential, cotton will at least have to maintain its traditional share of the growing world textile market. It has failed to do so since 1954.

That year accounting for 68 percent of total world fiber consumption, cotton's share had dwindled to 57 percent by 1963. Manmade fibers took up the slack, claiming only 23 percent of fiber consumption in 1954 and 35 percent 10 years later.

The inroads made by manmades are traceable in large part to the intensive efforts of manmade producers to capture a bigger share of the fiber market through promotion.

In this country alone, manmade fiber producers are spending an estimated $45 million per year on market development, foreign and domestic. If non-U.S. producers are included, the figure may total as much as $100 million. Even wool producers, who command less than 10 percent of the total world fiber market, will have spent around $36 million each year on international promotion during the 5 years ending with 1968.

By contrast, annual expenditures for international promotion of cotton are estimated at only $2 million or $3 million—or less than 5 cents per bale of the world's cotton crop. (Australian wool producers are assessed $5 per bale for promotional purposes.)

It has become all too clear that cotton's economic stake cannot be properly safeguarded so long as worldwide market development must rely on the limited funds available to Cotton Council International, the only major body which promotes cotton utilization. CCI's activities are materially helping cotton consumption in those countries where promotion programs are being carried on, but financing has been difficult with the United States the only cotton producing country participating. Half of CCI's funds are being supplied by the USDA through Public Law 480, the remainder by textile manufacturers and distributors in 16 CCI-member countries.

USDA Honors Norbest Turkey Growers' Export Drive at Agricultural Co-op Month Observance

At special ceremonies in the Department of Agriculture marking "International Day" in the USDA's observance of "Agricultural Co-op Month," an outstanding U.S. agricultural cooperative, Norbest Turkey Growers of Salt Lake City, received the Presidential "E" Award for its contribution to the U.S. export expansion drive. The techniques that went into achieving this status are outlined by Herbert Beyers, Norbest's general manager.

For many years, Norbest exported turkeys to Canada. When it appeared that a market would open in Europe, Norbest in 1957 sent me on a 6-week exploratory trip to Western Europe.

Based on trip findings, Norbest decided to begin market development in the Netherlands, where the government had recently lifted a quarantine on U.S. poultry, and had dissolved the monopoly on retail poultry sales long held by trade guilds. We began promotion in The Hague by meeting with various Dutch government officials and members of the trade. We succeeded in selling a Rotterdam importer a trial order of Norbest turkeys.

To establish consumer acceptance of this and future orders, Norbest held a promotional turkey luncheon for leading Dutch hotel and restaurant men, chain store executives, and the food press.

Since then, the Rotterdam importer has been a steady customer of Norbest, as well as a quality buyer. He not only distributes turkeys and turkey parts throughout Holland, but also transships to Norbest's other leading markets—West Germany, Switzerland, and Italy.

Since 1961-62, the volume of our export sales has jumped from $255,000 to over $1.2 million in fiscal 1964.

To expand this important overseas market, we have placed much promotional emphasis on participation in European trade fairs and on market development trips by Norbest officials to Europe.

Lately, we have stepped up promotion in Japan. In September 1963, we participated in the U.S. poultry products show at the U.S. Trade Center, Tokyo. We have also sent salesmen to Hong Kong, Formosa, and the Philippines, where business is developing.

Several factors figure in Norbest's successful sales efforts overseas. Foremost, we restrict our business to top grade turkeys sold under official USDA grading standards. We have developed an export package for our turkeys that is both economical to manufacture and sturdy enough to withstand rigorous handling during long-distance shipment. Also, we usually quote prices f.o.b. the United States to foreign buyers who then arrange their own ocean transportation.

At USDA ceremony, Mrs. Dorothy Jacobson, Assistant Secretary of Agriculture for International Affairs, presents the "E" Award to Norbest's Herbert Beyers.

Latest exhibit of U.S. foods

International Food Exposition Opens in Paris

U.S. agricultural products are among those of some 20 nations being exhibited at France's first Salon International de L'Alimentation food exposition (SIAL) which opened yesterday in Paris for a 9-day run.

In fiscal 1964 France bought $142 million worth of U.S. farm products. But since 1961, when the USDA last participated in a French food fair, U.S. foods have been produced, processed, and marketed in new and better ways. The U.S. exhibit will serve to acquaint the French food trade and consumers with these improvements, as well as to emphasize the high quality of U.S. food products available to the Common Market countries, all of which will have representatives attending SIAL.

With pre-show publicity begun by SIAL a full year in advance of the opening, the exposition is drawing thousands of European consumers and tradesmen. Parisians are also turning out in large numbers as a result of downtown window displays promoting the foods featured at SIAL.

The show occupies 430,000 square feet of the city's largest exhibition hall. In the main exhibit area, participants are displaying and demonstrating their food products and offering samples, while fairgoers may purchase these same items at a special supermarket adjacent to the exhibits.

The U.S. exhibit—by far the largest with an area of 7,000 square feet—is promoting U.S. meat products, fruits and vegetables, rice, honey, and dry edible beans.

The U.S. meat exhibit in cooperation with the American Meat Institute will be of considerable interest in France, where a beef shortage—prevalent for the past several months—is expected to continue despite a sharp rise in local production this fall. Beef products therefore are getting chief emphasis, but pork, variety meats, and canned meats are also being shown and prepared in a special kitchen.

Highpoint of the meat exhibit will be a "meat conference" to be held on November 12. This will bring together French and American trade leaders and economists for discussions of world meat demand and supplies, meat inspection rules and procedures, and consumer education programs.

The U.S. fruit and vegetable industry is featuring deciduous fruits, citrus, dried fruit, and canned fruit such as peaches and fruit cocktail. Aim of this exhibit is to test the consumer acceptance and demand for the majority of U.S. fruit products which in recent GATT negotiations have been granted some measure of access to the French market.

The U.S. dry bean industry, represented by the National Dry Bean Council, is exhibiting a variety of dry beans and offers samples of bean foods. If this exhibit points up a potential consumer demand for canned pea beans (such as pork and beans) in France, the French canning industry may be encouraged to produce the canned beans on a large scale.

The U.S. rice industry, represented by the Rice Council, is featuring an array of rice dishes, from hors d'oeuvres to desserts, as prepared by a European home economist. Promotion of this type is seen to be an important means of increasing U.S. rice exports to France under the new Common Market rice regulations that became effective September 1.

The U.S. honey industry's National Honey Packers and Dealers Association is promoting bulk and specialty-pack honeys of the numerous varieties for which U.S. honey producers are internationally known—such as aromatic sage, orange blossom, and buckwheat. France is the second largest market for U.S. honey.

U.K. Fruit Sellers Brought to U.S. for National Apple Week

A box of Maine McIntosh apples, like those Mr. and Mrs. John Ainscough are inspecting (below) at the London Trade Center's recent U.S. Processed Foods Show, began a chain of events that ended in this British couple's earning an expense-paid trip to the United States last month.

The Ainscoughs, fruit retailers of Lancashire and steady importers of McIntosh apples, this past March received a crate of apples containing a special apple edition of a Maine newspaper, in which the editor invited readers to enter a "How Did You Get This Paper" competition. John Ainscough's letter supplied this information, and also praised Maine apples, saying in part: "The apples, apparently packed in early January, were indeed in an excellent, fresh condition—a pleasure for me as a retailer and a value for the discerning customer. A reliable turnover of Maine apples is proof of their consistent high quality."

The letter led to an invitation by Maine's Governor Reed to visit Maine during National Apple Week as guests of the State Department of Agriculture and the Pomological Society. The couple toured the apple industry and had interviews over TV and radio.

U.K. Imports More Lard, Uses More Animal Fats

U.K. imports of lard in January-August 1964 totaled nearly 435 million pounds, 25 percent more than those of a year earlier. Imports from the United States, at about 400 million pounds, were 35 percent above the 1963 level and accounted for 92 percent of total imports. Takings from all other large sources were down.

There was a big increase in British use of lard in margarine and shortenings but a sharp decline in that of whale and fish oils and vegetable fats.

During the first half of 1964, 317 million pounds of oleaginous materials were used for manufacture of margarine in the United Kingdom—a slight increase over a year earlier. Lard use in margarine rose from 37 million pounds to 78 million and accounted for 25 percent of the total used compared with 12 percent in the first half of 1963. Use of whale oil in margarine dropped from 40 million pounds to 22 million; and vegetable oils, from 143 million to 130 million. Use of other fats in margarine in million pounds (with 1963 data in parentheses) was fish oil 78 (88), butter 6 (5), and other animal fats 3 (2).

Use of fats in the manufacture of shortenings in the United Kingdom in the first half of 1964 amounted to 159 million pounds, a moderate decrease from the 169 million in the same period a year earlier.

Lard used in shortening increased to 45 million pounds in 1964 from 19 million, while vegetable oil use declined to 59 million from 70 million. This year, lard made up 28 percent of the total use of fats in shortening compared with 11 percent a year earlier.

Use of whale and fish oil in shortening dropped considerably. Use of these plus other fats in the manufacture of shortening (in million pounds) with 1963 figures in parentheses was whale oil 15 (23), fish oil 30 (49), and other animal fats, including tallow 10 (8).

U.K. IMPORTS OF LARD

Country of origin	January-August 1963		January-August 1964	
	Quantity	Percent of total	Quantity	Percent of total
	1,000 pounds	*Percent*	*1,000 pounds*	*Percent*
United States	295,796	85.3	399,801	92.0
France	14,739	4.3	8,389	1.9
Denmark	10,074	2.9	7,260	1.8
Germany, West	7,655	2.2	6,990	1.6
Belgium	8,416	2.4	6,852	1.6
Sweden	3,290	.9	2,852	.6
Netherlands	3,176	.9	1,717	.4
Others	3,795	1.1	668	.1
Total	346,941	100.0	434,529	100.0

Henry A. Lane & Co., Ltd.

EEC Subsidy Rates on French Beef, Cattle to Germany

A Common Market Commission regulation authorizes France to grant subsidies on cattle and beef exported to Germany until March 31, 1965. The subsidy amounts to DM 8 per 100 kilograms (0.9 US cents per lb.) live weight for adult cattle and DM 16 per 100 kilograms (1.8 US cents per lb.) for beef.

The subsidy payments are to compensate for additional costs resulting from German veterinary and inspection requirements and are authorized under a special Council regulation. The regulation allows payments of amounts equal to charges arising from health regulations imposed at the frontier by the importing Member State, where such charges exceed the normal cost incurred as a result of health regulations within the exporting Member State.

Australian Meat Shipments to the United States

Three ships left Australia during the last week of September and the first week of October with 5,116,160 pounds of beef and 302,400 pounds of mutton for the United States.

Ship and sailing date	Destination [1]	Arrival date	Cargo	Quantity
	Western ports			*Pounds*
Sonoma, Sept. 29	San Francisco	Oct. 19	Beef	329,280
	Los Angeles	23	Beef	367,360
	Seattle	28	Beef	183,680
	Portland	Nov. 3	Beef	322,560
	Gulf and Eastern ports			
Cap Ortegal, Oct. 1	Charleston	Oct. 26	Beef	239,680
			Mutton	67,200
	Norfolk	28	Beef	250,880
			Mutton	33,600
	Philadelphia	30	Beef	282,240
	Boston	Nov. 2	Beef	264,320
			Mutton	33,600
	New York	4	Beef	1,966,720
			Mutton	134,400
Pioneer Star, Oct. 1	Houston	Nov. 1	Beef	78,400
	Charleston	6	Beef	40,320
	Boston	10	Beef	107,520
	New York	12	Beef	452,480
	Philadelphia	14	Beef	96,320
	Baltimore	16	Beef	134,400
			Mutton	33,600

[1] Cities listed indicate location of purchaser and usually port of arrival and distribution area, but meat may be diverted to other areas for sale.

Honduras Prohibits Cattle Exports

The Honduran Government recently passed a law banning exports of cattle weighing less than 700 pounds. If this law is enforced, cattle exports will be drastically reduced.

Exports of cattle in 1963 totaled 43,000 head, about the same as in 1962. Guatemala was the most important export market. However, significant numbers were also shipped to El Salvador and the West Indies.

Exports of beef to the United States rose from 1.5 million pounds in 1959 to 9.3 million in 1962 and remained at that level in 1963. Exports to the United States during January-August this year totaled 5.4 million pounds, 11 percent less than in the same period of 1963.

Honduras now has four modern export slaughter plants. The newest one, located at Choluteca, is slaughtering only 30 or 40 head daily through its capacity is rated as 200. The large plant at Tegucigalpa in 1963 exported 3 million pounds of boneless beef to the United States, but has now discontinued slaughter.

A Honduran trade mission has been in the United States buying purebred beef and dairy cattle for the National Development Bank. At the same time, Honduras has been

importing hogs from the United States to stock a farm which was recently established by the Honduran Army near Tegucigalpa. Some of the purebred stock will be sold to farmers, and some will be used in the foundation herds at the Comayagua Livestock Experiment Station. (The Comayagua Livestock Experiment Station is a program which is designed to distribute purebred pigs and beef and dairy cattle to local producers at cost. Nearly 800 head of weaner pigs are expected to be distributed to producers under this program in 1964.)

Israel To Import Slaughter Cattle

The Israeli Government has authorized imports of cattle for slaughter, despite protests from domestic producers.

These imports have been made necessary by rising demand for meat (*Foreign Agriculture*, July 20, 1964) which has outpaced the increasing domestic production. This production-consumption gap has been filled partly by imports of frozen beef. However, frozen beef is not a complete substitute for fresh beef and a projected shortage of domestic beef is not expected to be alleviated completely by increased imports of frozen beef. Rising prices of fresh beef can only be prevented by importing cattle.

New Zealand Meat Shipments to the United States

Six ships are scheduled to leave New Zealand during November with 11,312,000 pounds of meat for the United States—6,160,000 for the West Coast and 5,152,000 for the East Coast.

Ship	Sailing date	Destination	Quantity
			1,000 pounds
Mariposa	Nov. 3	West Coast	224
Cap Delgado	4	do	3,360
Saracen	7	do	2,240
Monterey	24	do	336
Knight Templar	14	East Coast	1,568
Port Adelaide	28	do	3,584

Congo's Cigarette Output Down

Cigarette output in the Congo (Leopoldville) during January-March 1964, at 647 million pieces, was 14.2 percent below the 754 million pieces produced in the same period last year. The decline is attributed to the increase of slightly more than 70 percent in retail prices following the devaluation of the Congolese franc on November 9, 1963. Retail prices of popular brands during June 1964 averaged about 34 francs per package of 20, compared with about 19 to 20 francs for the same month last year.

Cigarette output in the Congo during calendar 1964 is not likely to equal last year's level of 3,573 million pieces, but is expected to exceed 1962's 2,523-million outturn.

Dutch Cigarette Sales Drop Sharply

Cigarette sales in the Netherlands during the first half of 1964, at 6,709 million pieces, were down 15.8 percent from the 7,964 million pieces sold in January-June 1963. Sales of the other tobacco products were up.

Cigarillo sales rose to 262 million pieces from 164 million. Sales of cigars and smoking mixtures were up 2.1 and 2.4 percent, respectively.

German Cigarette Sales Up

Cigarette sales in West Germany, including West Berlin, continued to rise through the first half of 1964. Total sales amounted to 42.8 billion pieces—up 5.5 percent from the 40.6 billion sold during January-June 1963. Filter-tipped cigarettes represented 79.6 percent of total sales.

Cigarette output during the first 6 months of 1964 totaled 44.5 billion pieces, compared with 42.0 billion during the same period last year. Output in the Federal Republic was up 4.1 percent, and in West Berlin, 10.3 percent. For West Germany as a whole, cigarette output was up 6.0 percent.

Italian Imports of Oilseeds Up, Vegetable Oils Down

Italian imports of oil-bearing materials in the first half of 1964 were up 10 percent from the same period in 1963, despite some increase in domestic oilseed production, largely rapeseed.

Imports of oilseeds gained substantially. However, those of vegetable oils declined by 4 percent because of a sharp drop in olive oil imports.

The rise in Italian oilseed imports reflects a marked increase in the volume of sunflowerseed from Eastern Europe, larger amounts of peanuts from Sudan and Nigeria, and heavier takings of soybeans from the United States. This rise was in part offset by a significant reduction in rapeseed imports from Canada, France, and Sweden.

Responsible for the 4-percent decline in vegetable oil imports was the high domestic olive oil outturn of 1963-64, which caused a 28-percent reduction in olive oil imports. At the same time, indigenous olive oil exports increased by 45 percent—from 4,544 metric tons in the first half of 1963 to 6,585 in 1964.

The large 1963-64 olive oil outturn created some problems in marketing, owing in part to the fact that high living costs caused many consumers to choose the much less expensive seed oils. Less of a price spread between the two kinds of oil would naturally tend to increase olive oil consumption, yet the relative higher costs of producing olive oil would tend to prevent this.

To further discourage imports of olive oil (as well as seed oil), the government again decreased the proportion of olive and seed oil that may be imported relative to the amount of government-held seed oil that must be purchased (*Foreign Agriculture*, Jan. 27, 1964).

Under the new ratios, effective May 21, 1964, for every unit of olive or seed oil imported, two units of government-held seed oil must be purchased. The old ratios were 1:1 and 1:1.2 respectively for olive oil and seed oil.

Seed oil imports in the first half of 1964 totaled 44,930 tons—45 percent above the 30,973 of the 1963 period. This reflected increased takings of palm, soybean, coconut, and linseed oils; however, imports of peanut and rapeseed oils declined. The aggregate increase may have resulted from a shift to seed oil imports from the imports of animal fats and other fats and oils, which in the first half of 1964 totaled 82,814 tons and 11,934 tons, respectively—down 4 and 9 percent from 1963 period.

Cake and meal imports in the 1964 period totaled 45,697 tons, or 15 percent above the 39,621 of the first half of 1963. Soybean meal from the United States, accounting for roughly three-fourths of the total, increased

by nearly one-fourth during the first half of 1964.

Current prospects indicate a significant decline in the 1964-65 Italian olive oil outturn from the 1963-64 level. Thus it would appear that imports of edible vegetable oils will show an upturn in late 1964 or 1965 and that retail olive oil prices—lower for the first half of 1964—will gain relative to those for edible seed oils.

ITALIAN IMPORTS OF SELECTED OIL-BEARING MATERIALS AND VEGETABLE OILS

Item	1961	1962	1963	January-June 1963	January-June 1964
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*	*Metric tons*
Oil-bearing materials:					
Cottonseed	38	529	343	343	449
Peanuts [1]	73,385	80,992	173,333	92,832	108,681
Soybeans	204,646	337,301	334,795	175,144	196,537
Sunflowerseed	93,155	32,225	62,176	29,951	54,025
Rapeseed	64,854	103,364	91,034	46,067	17,320
Sesameseed	19,765	20,687	32,507	16,114	20,150
Mustardseed	128	313	216	100	---
Hempseed	474	460	515	426	219
Copra	19,443	23,717	27,457	14,516	14,616
Palm kernels	254	300	473	313	508
Flaxseed	13,009	14,029	4,333	2,894	1,821
Castorbeans	9,436	9,464	11,672	6,901	5,681
Others	3,244	4,840	4,384	2,568	7,509
Total	501,831	628,221	743,238	388,169	427,516
Vegetable oils:					
Cottonseed	204	30	8	4	---
Peanut	85	905	1,580	1,038	197
Soybean	10,389	2,146	3,108	1,121	5,089
Sunflower [2]	1,873	136	3,823	1,034	1,626
Rapeseed	824	1,674	1,001	514	141
Sesame	24	14	49	1	---
Olive [3]	98,739	112,230	128,371	62,831	45,063
Coconut	28,485	17,786	15,349	5,398	8,858
Palm	24,756	25,525	27,955	10,906	15,244
Palm kernel	---	7,765	7,011	2,943	3,523
Linseed	15,816	15,978	16,468	7,212	9,361
Castor	72	117	148	115	84
Tung	1,474	1,595	1,470	626	670
Others	664	892	72	5	137
Total	183,405	186,793	206,413	93,748	89,993

[1] Shelled basis. [2] Includes corn oil. [3] Excludes sulfur oil.
Italian Central Institute of Statistics.

Netherlands Oilseed Production and Imports Increase

Production in 1964 of the two major oilseeds in the Netherlands, rapeseed and flaxseed, is estimated at 9,770 and 34,240 metric tons respectively, compared with 9,989 and 23,000 in 1963.

This year's higher flaxseed outturn reflected a signficant rise in acreage; seedings of rapeseed declined slightly. Yields increased because of relatively favorable growing conditions (*Foreign Agriculture*, August 10, 1964). The bulk of domestic supplies is exported; this is reflected in small crushings of indigenous output, in 1963 reported at 1,300 tons of flaxseed and 1,686 of rapeseed.

For January-July 1964, the Netherlands imports of oil-bearing materials, at nearly 456,000 metric tons, rose one-sixth from those in the same period of 1963. Increased soybean imports from the United States accounted for virtually all the gain. In 1964, soybean imports rose by one-half and represented 57 percent of the total compared with 45 percent in 1963. Imports of palm kernels made some gains, while takings of flaxseed declined, as did those of other oilseeds, largely illipe nuts from Singapore. However, flaxseed imports from the United States approximated those of last year (about 10,000 tons), because of relatively attractive prices.

Fats and oils imports by the Netherlands in the first 7 months of this calendar year increased by 11 percent from the comparable period in 1963. Increased imports of lard and tallow, largely from the United States, partly displaced whale oil imports from Japan and Norway. Soybean oil imports gained markedly, reflecting relatively favorable prices. Purchases from the United States accounted for the bulk of the total, while imports from Israel and Denmark declined. Imports of peanut, sunflowerseed, and rapeseed oils all were significantly below those of a year ago. Total fish oil imports declined; however there was a 5,000-ton increased in takings from the United States, while supplies from Peru and Chile were smaller. Palm oil imports from the Congo (Leopoldville) and Indonesia made substantial gains, as did linseed oil imports from Argentina.

Prospects for imports of soybeans and soybean oil in the remainder of 1964 are favorable, reflecting reduced supplies and higher prices for marine and peanut oils. However, supplies and prices of other edible oils are also important.

IMPORTS OF OIL-BEARING MATERIALS AND SELECTED OIL-BEARING MATERIALS BY THE NETHERLANDS

Item	1962	1963	January-July 1963	January-July 1964
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
Oil-bearing materials:				
Peanuts [1]	54,043	39,188	24,098	26,581
Soybeans	366,450	311,545	173,957	260,493
Copra	107,311	125,805	74,033	73,954
Palm kernels	130,489	127,490	58,139	65,808
Flaxseed	68,185	60,618	27,697	20,897
Castorbeans	2,833	3,968	2,079	2,170
Others	37,108	35,423	28,199	5,976
Total	766,419	704,036	388,202	455,879
Fats and oils:				
Cottonseed oil	371	1,300	601	---
Peanut oil	5,976	11,504	8,944	4,223
Soybean oil	10,116	19,442	7,131	16,761
Sunflowerseed oil	5,670	9,415	6,306	2,872
Rapeseed oil	5,442	5,986	2,170	1,757
Palm oil	54,499	68,443	39,426	46,136
Linseed oil	9,460	11,903	5,753	10,003
Lard	45,291	58,565	34,569	40,477
Tallow	46,815	49,934	30,214	46,446
Whale and sperm oil	34,127	17,224	18,685	10,544
Fish oil [2]	42,850	63,078	36,729	32,341
Total	260,617	316,794	190,528	211,560

[1] Shelled basis. [2] Excludes liver oil.
Compiled from official sources.

Australia's Canned Milk Exports Continue High

Demand in foreign markets for Australian canned milk continued strong in the first half of 1964, with 41 million pounds exported, 12 million more than in the same period of 1963.

Shipments went mostly to markets in the Far East and in Southeast Asia. Malaysia, the principal outlet, increased its purchases 4 percent to 15 million pounds. Burma took 9 million pounds, 7 percent more than last year. Sales to Indonesia, which had been only 25,000 pounds in the 1963 period, were 4 million pounds. Australia also reported substantially larger shipments to North Borneo, the Philippine Republic, and Ceylon.

Reduced purchases of nonfat dry milk by major markets brought January-June 1964 exports down 20 percent, to 21 million pounds. Shipments to India declined from 10 million pounds to 6 million; to the Philippine Republic from 5 million to 2 million. Sales to the Republic of South Africa, which increased its trade during this period, were 2 million pounds, 20 percent above those of 1963.

United States Exports Less Cotton

U.S. exports of cotton (all types) amounted to 304,000 running bales in the first 2 months (August-September) of the 1964-65 season. This was 52 percent below the 635,000 bales exported in the same months of 1963-64.

Exports in September were 184,000 bales, compared with 120,000 in August and 361,000 in September 1963.

Sales of cotton for export in the 1964-65 season under the competitive bid sales program and other export programs totaled 647,574 bales through October 19. This compares with 2,779,617 bales on the equivalent date a year ago.

U.S. COTTON EXPORTS BY COUNTRY OF DESTINATION

Country of destination	Year beginning August 1				
	Average 1955-59	1962	1963	Aug.-Sept. 1963	Aug.-Sept. 1964
	1,000 running bales	*1,000 running bales*	*1,000 running bales*	*1,000 running bales*	*1,000 running bales*
Austria	33	13	23	2	1
Belgium-Luxembourg	160	72	176	19	9
Bulgaria	0	0	19	0	0
Denmark	17	13	16	2	1
Finland	22	13	10	1	2
France	360	180	380	54	32
Germany, West	475	101	401	66	39
Hungary	0	0	18	0	0
Italy	416	192	441	61	45
Netherlands	124	71	127	13	2
Norway	10	10	14	1	1
Poland and Danzig	85	62	132	20	11
Portugal	28	7	35	2	(1)
Spain	171	(1)	14	(1)	0
Sweden	75	56	88	9	6
Switzerland	64	37	95	18	14
United Kingdom	525	139	286	32	11
Yugoslavia	108	113	78	0	4
Other Europe	17	3	20	0	4
Total Europe	2,690	1,082	2,373	300	182
Australia	54	41	91	12	8
Canada	217	271	448	52	9
Chile	35	24	2	(1)	(1)
Colombia	33	1	14	3	0
Cuba	27	0	0	0	0
Ethiopia	4	15	9	0	0
Hong Kong	134	79	187	24	2
India	184	198	314	2	18
Indonesia	30	51	20	0	0
Iraq	0	0	20	0	0
Israel	16	7	26	1	2
Japan	1,154	895	1,300	135	36
Korea, Rep. of	205	236	313	48	21
Morocco	10	8	15	3	3
Pakistan	14	8	8	(1)	0
Philippines	64	108	140	13	8
South Africa	26	19	37	5	3
Taiwan (Formosa)	153	223	189	18	7
Thailand	4	22	39	6	1
Uruguay	15	0	(1)	0	0
Venezuela	2	5	12	(1)	(1)
Vietnam [2]	2	36	75	11	1
Other countries	27	22	28	2	3
Total	5,100	3,351	5,660	635	304

[1] Less than 500 bales. [2] Indochina prior to 1958. Includes Laos and Cambodia.

Mexico Increases Export Tax on Cotton

The Government of Mexico announced during July that the long-standing reduction in the ad valorem tax on cotton from Mexico would no longer be permitted on exports of uncompressed cotton. By this announcement the effective export tax on uncompressed cotton was raised from US$8.04 to US$18.62 per bale. The export tax on compressed cotton will continue at US$8.04 per bale.

This action is expected to result in a reduction of Mexican cotton transshipments through the United States. It affects primarily Mexican cotton produced in areas near the U.S. border, mostly Matamoros and Altamira. However, cotton production in the Matamoros area has declined sharply in recent years. After reaching 550,000 bales in 1958, it dropped to 163,000 bales by 1963, and it promises to total less than 75,000 bales this season. In fact, recent trade reports suggest that cotton production in Matamoros may cease by 1965.

In Altamira, on the other hand, production has increased sharply each season since the first commercial crop in 1961. Some sources indicate that a compress may be constructed near Tampico to facilitate direct exports from that port. Also, reports indicate that gins at Tampico will be equipped with either high-density or standard-density presses. This is in line with the government's encouraging direct export shipments of cotton and improvement in port and transportation facilities.

Transshipments of Mexican cotton through U.S. ports have followed the trend of cotton production in Matamoros. Cotton shipments from Brownsville (sizable quantities of linters and waste included) totaled 289,000 bales during August-May of 1963-64, compared with 435,000 in the comparable months a year earlier. It is probable that the quantity of Mexican cotton transshipped through Brownsville would have continued to decline even under the previously effective ad valorem rate.

Total transshipments of Mexican cotton through U.S. ports amounted to 308,000 bales in the August-May period of 1963-64, compared with 540,000 in comparable months of 1962-63.

Small Italian Walnut Crop

Italy's 1964 walnut crop is estimated at only 20,000 short tons, unshelled basis, because of adverse weather conditions. This is about 10 percent below last year's short harvest and almost 25 percent below the 1958-62 average. Because of rapid natural drying conditions, the 1964 crop reached the market somewhat earlier than usual.

Italy's walnut exports during 1963-64 are estimated at 10,300 short tons (inshell basis)—down sharply from the 15,000 tons shipped in 1962-63. West Germany was, as usual, the leading buyer of Italian walnuts in 1963-64. Italian exports are predominantly in the unshelled form.

Italian producers' asking prices have been higher than existing export quotations, and the Italian export market has been at a virtual standstill. This and the short crop are expected to reduce 1964-65 exports to below the 1963-64 level.

Yugoslavia Ups Support Prices for Hemp

The Government of Yugoslavia on July 18 announced an increase in the minimum guaranteed prices to farmers for most agricultural products, including true hemp. Minimum guaranteed prices for class I and II hemp were increased 25 percent, while prices for class III and IV hemp were increased approximately 30 and 50 percent, respectively. For class I hemp stalks, the new support price will be 25 dinars per kilogram, or the equivalent of 1.5 cents per pound.

Excluding the Soviet Union and China, Yugoslavia accounts for about one-fourth of the world's production of true hemp and about one-half of world exports.

U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250

OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF AGRICULTURE

To change your address or stop mailing, tear off this sheet and send to Foreign Agricultural Service, U.S. Dept. of Agriculture, Rm. 5918, Washington, D.C. 20250.

Peru's Molasses Exports Up

A decline in domestic utilization of molasses coupled with a steady production has resulted in that country's increasing its molasses exports from 64,000 short tons in 1961 to an estimated 154,000 in 1964.

During the 1961-64 period, production of molasses stayed at about 275,000 short tons, while domestic consumption fell by 30 percent. This decline has been attributed to a 20-percent reduction in use by Peru's alcohol industry—by far the leading consumer of industrial molasses. It also came abouut as a result of more efficient production practices, which have resulted in a 75-percent reduction in the amount of molasses run off as waste.

Partly offsetting the drop is a jump in use of molasses for the manufacture of yeast—from 0 in 1961 to nearly 5,000 tons in 1963.

U.S. Exports of Animal Products Soar

(Continued from page 6)

U.S. feed grain sales to Spain stood at 136,200 metric tons in 1959-60 before promotion was begun. Last year, exports were up to 830,141 tons—and are still rising. Market promotion and trade liberalization in Italy have produced a gain in U.S. feed grain exports from 79,300 tons in 1959-60 to more than a million tons a year in each of the past 2 years.

Soybeans again held their place as leading dollar earner among U.S. agricultural commodity exports. Preliminary figures indicate that soybean exports to dollar markets reached a new all-time high of about two-thirds of a billion dollars in fiscal 1964, a healthy $50 million above a closely-grouped trio of runners-up—wheat, cotton, and corn.

Dip expected this year

While the long-term outlook for exports of animal products and animal feeds is quite optimistic, overall exports in the current fiscal year are running below the record levels of last year. Fiscal 1964 was an unusual world trade year, with adverse weather over large areas upsetting normal trade patterns. Large sales of grain to the USSR were a big factor in the fiscal 1964 trade picture, and they are not expected to be repeated this year. Poor weather also helped to boost sales to Japan and Western Europe last year.

But in the years ahead, it is expected that any slight dip in fiscal 1965 exports will be regained—and exceeded—as more and more people achieve greater prosperity and greater ability to buy the kinds and amounts of food that go with better living.

British Trade Outlook

(Continued from page 3)

awarded in February 1965, it is possible that they will be larger and that a substantial permanent quota will be established for North America. Two temporary quotas totaling 15,000 long tons were awarded North America this fall.

The good demand for U.S. lard is likely to continue, providing prices and availability are favorable. If imports of lard and other animal fats are maintained at present levels, a recovery in the demand for vegetable oils will probably be delayed.

Import prospects for unmanufactured tobacco in fiscal 1965 are less promising than they were a year ago since part of last year's imports were used to rebuild depleted stocks.

Imports of cotton during fiscal 1964 increased at a much more rapid rate than consumption; therefore, stocks are now at a very high level, and this situation is likely to restrict imports this coming year.

UNITED KINGDOM AGRICULTURAL IMPORTS, 1963-64

Commodity	From United States	From all countries	Commodity	From United States	From all countries
	1,000 m.t.	*1,000 m.t.*		*1,000 m.t.*	*1,000 m.t.*
Wheat	499	4,164	Oilseeds, nuts	182	1,011
Wheat flour	8	323	Vegetable oils	6	314
Barley	15	426	Lard	227	255
Corn	2,919	3,491	Butter	0	457
Sorghum	[1]51	263	Apples	25	230
Rice	[1]42	96	Canned fruit	33	359
Oilcake and oil meal	166	971	Cotton	58	261
			Tobacco	67	148

[1] U.S. exports.

PAID
ICULTURE

they are
ther also
rope last

light dip
ceeded—
erity and
ood that

they will
will be
quotas
America

continue,
imports
present
oils will

in fiscal
go since
depleted

t a much
ocks are
likely to

1963-64

From all countries
1,000 m.t.
1,011
314
255
457
230
359
261
148

Agriculture